

VZCZCXRO3289
PP RUEHAG RUEHDF RUEHIK RUEHLZ
DE RUEHVI #2447 2291353
ZNR UUUUU ZZH
P 171353Z AUG 06
FM AMEMBASSY VIENNA
TO RUEHC/SECSTATE WASHDC PRIORITY 4611
INFO RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RUEHBJ/AMEMBASSY BEIJING PRIORITY 0282
RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY
RUEHBS/USEU BRUSSELS PRIORITY

UNCLAS VIENNA 002447

SIPDIS

SENSITIVE
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DEPT FOR EUR/AGS (SAINT-ANDRE), EAP/CM (CRANE), EB/TPP/BTA
(SAEGER), AND EB/TPP/IPE (FELSING)
USTR (POSNER, WINTER, AND MCCOY)

E.O. 12958: N/A

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SUBJECT: AUSTRIA NOT READY TO SUPPORT WTO CONSULTATIONS
WITH CHINA ON IPR

REF: STATE 126703

11. (SBU) On August 9, Acting EconPolCouns delivered reftel points to Gabriela Habermayer, Head of the Ministry of Economy's Multilateral Trade Division. Habermayer said that the EU Commission has not yet formally discussed the U.S. request for WTO dispute settlement consultations. Habermayer noted that the Commission's current strategy is to maintain close contact with China to develop a joint Action Plan on IPR enforcement with Beijing. She said that China has agreed to present its proposed legal changes regarding IPR enforcement to the EU for discussion. Habermayer thought these discussions with China would take place in the autumn. Therefore, at the moment, it would be premature for the EU to seek WTO consultations.

12. (SBU) In Habermayer's view, Austria is not in a position to put direct pressure on China, because Austrian firms have not filed any recent legal cases or complaints against China on IPR infringement. Habermayer recalled the case of Doppelmayr, an Austrian producer of cable cars and elevators, which currently has over two dozen projects in China. Habermayer said she has heard rumors of IPR infringement against Doppelmayr's business in China, but Doppelmayr has never filed any formal complaints with the GoA. Habermayer opined that many Austrian firms that are active in China are small and uninterested in filing IPR complaints, or their products are not particularly IPR-sensitive.
Kilner